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SIPDIS

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SUBJECT: BANKING SERIES #3: FORMER BANINTER EXECUTIVES

RELEASED ON BAIL

1. The following is the third in a series of reports on the Dominican Banking sector.

2. On December 20, an Appeals Court panel of three judges ruled to allow the release of former Baninter President Ramon Baez Figueroa and Vice-President Marcos Baez Cocco on RD \$100 million bail each. After some delay because of coordination issues between the defendant's lawyers and the Attorney General's Office the two were finally released on Tuesday, December 23. The ruling has had widespread coverage in all local daily newspapers and has sparked debate among Dominican authorities on the legitimacy of the decision.

3. The panel, headed by Judge Miriam German Brito, ruled that the incarceration of the two men since their arrest last May was unconstitutional. Baez Figueroa and Baez Cocco had been detained for their suspected involvement in the massive USD \$2.2 billion Baninter banking fraud. Some Dominicans have spoken out in favor of the decision, saying it was the right thing to do even if it seems wrong to the public. Among those has been Jose Alfredo Rizek, Executive Director of the Fundacion Institucionalidad y Justicia (FINJUS) -- a prominent USAID-supported NGO that promotes judicial reform -- and Jorge Subero Isa, President of the Dominican Supreme Court. Rizek commented that Dominican authorities have traditionally abused constitutional rights of detainees, imprisoning them for long periods before filing formal charges. Several commentators including him believe the ruling advances reform of the Dominican judicial system. Others, like Maximo Aristy Caraballo, Attorney General for the National District, voiced concern that the decision could open the door to release of other accused defrauders and money launderers.

4. It is expected that the two men will be celebrating Christmas at home with their families, but how long they will stay in the country is on the mind of many Dominicans. If the men do decide to flee, it will not be to the United States since neither is a US citizen or permanent resident and Embassy's NIV section revoked both men's visas in May, 2003.

5. Embassy will continue to report further developments in the investigation and prosecution of this case.

HERTELL